



**Financial Statements for the Year Ended 31
December 2016 in accordance with
International Financial Reporting Standards
accepted and published in Republic of
Macedonia and**

Independent Auditor's Report

July 2017, Skopje

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To:
The Management of
Center for Research and Policy Making - CRPM
SKOPJE

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of Center for Research and Policy Making - CRPM, Skopje give a true and fair view of the financial position of the Organization as of 31 December 2016, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting.

Skopje, 18 July 2017

Certified Auditor
Manager
Dragan Dimitrov



STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2016 and 2015
In MKD thousands

	Notes	2016	2015
Revenues from donations	4	11.640	11.599
Revenues from sales	5	-	137
Surplus of revenues from previous years		8.463	12.081
Other revenues	6	21	291
TOTAL REVENUES		20.124	24.108
Operating expenses	7	4.272	7.603
Intellectual and other services	8	2.089	4.435
Capital expenses	9	-	131
Salaries and other benefits for employees		4.157	3.476
TOTAL EXPENSES		10.518	15.645
Surplus of revenues over expenses		9.606	8.463

The accompanying notes form an integral part of these financial statements.

The accompanying financial statements were authorised for issue by the management of the Organization on 27 February 2017 and were signed on its behalf by:

 Executive Manager
 Marija Risteska

BALANCE SHEET

As of 31 December 2016 and 2015

In MKD thousands

	Notes	31 December 2016	31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		195	303
Intangible assets		9	9
	10	<u>204</u>	<u>312</u>
CURRENT ASSETS			
Other receivables	11	68	68
Other current assets and prepayments	12	-	2.161
Cash and cash equivalents	13	9.336	6.415
		<u>9.404</u>	<u>8.644</u>
TOTAL ASSETS		<u>9.608</u>	<u>8.956</u>
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund	14	204	311
Surplus of revenues over expenses		9.336	8.463
		<u>9.540</u>	<u>8.774</u>
CURRENT LIABILITIES			
Accounts payable	15	20	165
Other short term liabilities and accruals	16	48	16
		<u>68</u>	<u>181</u>
TOTAL LIABILITIES AND FUNDS		<u>9.608</u>	<u>8.955</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN OPERATING FUND

As of 31 December 2016 and 2015

In MKD thousands

	Operating Fund	Surplus of revenues over expenses	TOTAL
Balance as of 01 January 2015	294	12.054	12.348
Transferred surplus of revenues over expenses from previous year	-	(12.054)	(12.054)
Additions of fixed assets	131	-	131
Depreciation	(113)	-	(113)
Surplus of revenues over expenses	-	8.463	8.463
Balance as of 31 December 2015	312	8.463	8.775
Transferred surplus of revenues over expenses from previous year	-	(8.463)	(8.463)
Additions of fixed assets	-	-	-
Depreciation	(108)	-	(108)
Surplus of revenues over expenses	-	9.606	9.606
Correction	-	(270)	(270)
Balance as of 31 December 2016	204	9.336	9.540

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

Center for research and policymaking - CRPM, Skopje (in the following text "the Organization") is a organization registered under Cico Popovikj 6-2/9 Skopje - Center. The Organization Center for Research and Policy Making with the short name CRPM is registered in Register of Associations under Reg.no. 5880378. With the activities and financial transaction organization started to operate as an independent institution in 2004.

The Center for Research and Policy Making is an organization that has a mission to promote good governance and development in Macedonia on the basis of relevant, evidence based policy research, capacity building and trainings, evaluations, analyses and surveys, without regard to and independently of the particular interests of any group of the society, either political, social or economic.

The total number of the employees as of 31 December 2016 amounts 7 employees (31 December 2015 was 7 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Organization are conducted in accordance with the Non-Profit Organization Accounting Law and the standards for reporting under the cash basis of accounting published in the Republic of Macedonia for presentation of the balance sheet items, balances of the assets, liabilities, sources of the assets, revenues and expenses, and the operating results on true, fair, confidential, complete, punctual basis.

The amounts in the statements and the notes are stated in thousands of MKD, except when otherwise indicated in the text.

3. BASIC ACCOUNTING POLICIES

The basic accounting policies used for preparation of the financial statements are listed in the following text. The accounting policies of the Organization are being adequately applied from year to year.

3.1 Cash and cash equivalents

The Organization's cash comprises of the cash on hand and the cash on giro account in the commercial banks.

Money at the cash account and at the bank accounts stated in domestic currency are presented in the general ledger at their nominal value, while the foreign exchange currency is stated according to the exchange rate of NBRM at the reporting date.

3.2 Material and non-material investments

Material and non-material investments (fixed assets) are stated at their cost value. The cost of the fixed assets comprise the purchasing price increased for the import customs, VAT, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses. The operating fund of the Organization increases for the amount of the value of fixed assets purchased.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)

3.3 Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, so their cost and revaluated amount are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

The amount of the current depreciation is recorded on the burden of the operating fund.

The depreciation rates, applied by the Organization in 2016 are as follows: 1-2,5% for buildings, 10-20% for equipment and vehicle, 12-16% for furniture and 25% for computer equipment.

The calculation of the depreciation is performed separately for each item, and not for groups of assets.

3.4 Recognition of the revenues and expenses

Revenues and expenses of the non-profit organizations are recognized according to the modified accrual basis of accounting.

According to the modified accrual basis of accounting the revenues i.e. expenses are recognized in the accounting period of calculation in which they appear under criteria of measurement and availability. Revenues i.e. expenses are measurable when they can be stated by their value. Revenues i.e. expenses are available when they are realized, i.e. when they appear (paid) in the accounting period or within the period of 30 days after the accounting period, under condition to be related to the accounting period and serve for payment of the liabilities for the period (if liabilities for payment appear in the accounting period).

3.5 Amounts stated in foreign currency

The transactions in foreign currency are stated in MKD according to the Official exchange rate of NBRM at the date of transaction.

Foreign exchange assets and liabilities of the balance sheet are stated in MKD according to the official exchange rates on the balance sheet date.

The Income Statement includes the net foreign exchange gains and losses that resulted from the conversion of the amounts in foreign currency in the period when they occur.

The average (closing) exchange rates of the denar related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

	2016	In MKD 2015
EUR	61,4812	61,5947
USD	58,3258	56,3744
CHF	57,2504	56,9583

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

4. REVENUES

	<u>2016</u>	<u>2015</u>
Revenues from donations	<u>11.640</u>	<u>11.599</u>
Total	<u>11.640</u>	<u>11.599</u>

5. REVENUES FROM SALES

	<u>2016</u>	<u>2015</u>
Own earnings	<u>-</u>	<u>137</u>
Total	<u>-</u>	<u>137</u>

6. OTHER REVENUES

	<u>2016</u>	<u>2015</u>
Interest	<u>6</u>	<u>1</u>
Foreign exchange gains	<u>15</u>	<u>290</u>
Total	<u>21</u>	<u>291</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

7. OPERATING EXPENSES

	2016	2015
Materials	395	1.194
Energy	105	127
Maintenance of assets	1	800
Other services	1.238	2.627
Transportation services	293	233
Representation	19	8
Rent	724	636
Insurance premiums	5	884
Costs for seminars	7	45
Bank charges	47	534
Travel costs	54	-
Negative exchange rate differences	50	57
Membership fees	-	31
Transferred funds	1.331	396
Expenditures for international cooperation	-	5
Other expenses	3	26
Total	4.272	7.603

8. INTELLECTUAL AND OTHER SERVICES

	2016	2015
Intellectual and other services	2.089	4.435
Total	2.089	4.435

9. CAPITAL EXPENSES

	2016	2015
Equipment	-	131
Total	-	131

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

10. PROPERTY, PLANT AND EQUIPMENT

	Equipment, office furniture and other tangible assets	Software	Total
Cost as of			
1 January 2015	586	-	586
Additions	122	9	131
Balance as of 31 December 2015	708	9	717
Additions	-	-	-
Balance as of 31 December 2016	708	9	717
Accumulated depreciation as of 1 January 2015	293	-	293
Depreciation	111	1	112
Balance as of 31 December 2015	404	1	405
Depreciation	105	3	108
Balance as of 31 December 2016	509	4	513
Net book value as of:			
- 31 December 2016	199	5	204
- 31 December 2015	304	8	312

11. OTHER RECEIVABLES

	2016	2015
Short-term loans and deposits	60	60
Prepaid taxes	8	8
Total	68	68

12. OTHER CURRENT ASSETS AND PREPAYMENTS

	2016	2015
Prepayments	-	2.161
Balance at 31 December	-	2.161

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

All amounts are expressed in MKD thousand, unless otherwise stated

13. CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
Current account	760	1.145
Foreign exchange account	8.529	4.965
Cash in hand	31	21
Other cash equivalents	<u>16</u>	<u>284</u>
Balance at 31 December	<u>9.336</u>	<u>6.415</u>

14. OPERATING FUND

	<u>2016</u>	<u>2015</u>
Operating fund	<u>204</u>	<u>311</u>
Balance at 31 December	<u>204</u>	<u>311</u>

The changes in the Operating fund are stated in the Statement of changes in the operating funds on page 5.

15. ACCOUNTS PAYABLES

	<u>2016</u>	<u>2015</u>
Domestic accounts payable	<u>20</u>	<u>165</u>
Balance at 31 December	<u>20</u>	<u>165</u>

16. OTHER SHORT-TERM LIABILITIES

	<u>2016</u>	<u>2015</u>
Income tax liabilities	18	16
Other liabilities	<u>30</u>	<u>-</u>
Balance at 31 December	<u>48</u>	<u>16</u>

CENTER FOR RESEARCH AND POLICY MAKING - CRPM Skopje


NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2016
All amounts are expressed in MKD thousand, unless otherwise stated

17. OFF-BALANCE RECORDS

As of 31 December 2016 the Organization has not off-balance sheet exposure.

18. SUBSEQUENT EVENETS

There are no material subsequent events that would have an impact on understanding of financial statements.



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